George Bush

Director of Central Intelligence

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It's a great pleasure to be introduced by the president of this university and be back on this campus for my third appearance. Dr. Hacknes, a polite young guy -- you get that from being at Princeton -- and he overlooks and he did not point out to you that in 1972 when I was here I survived an aerial attack. I don't remember if it was in a different building, in fact it was in a bigger hall and it was right at the height of some ghastly thing in connection with the Vietnam War and I walked into the hall and they had a holding room. So I was put off in the holding room and then they said, well, just a minute and I heard a big roar and I looked out and say, yeah, and I waited a minute, oogh, and I said, what's going on out there, so I said, what's happening. They said, they're voting. I said what are they voting on. Well, they're voting whether to make the demonstration peaceful or non-peaceful. Well, I'm terribly interested. Who won? Well, the peaceful demonstration won. So I came into this massive hall that you've got on this campus and peaceful demonstration. All I need to do is to be agile because it consisted of throwing lighters at me because I think it had to do with some bombing that was going on, and it was a very traumatic experience.

And the next time I came was two years later. Again, Dr. Hacknes with his elegance and being overly polite failed to point out to me the trauma of being Chairman of the Republican

Party during the height of Watergate. My friend, Bob Strauss, was head of the Democratic Party, and I hope this will not seem obscene for the Director of CIA to say this but Strauss (joke). One darn thing after another. And I came down here to Tulane to (unintelligible) decision 70 and I appeared with Elliott Richardson and this guy who runs the, Bill Monroe, an alumnus of this school, now runs the "Meet the Press" show. And it was a nice evening; I spoke very briefly, and Monroe spoke very briefly and Elliott Richardson spoke and spoke and spoke and nobody understood a word he said, and you know he kept nodding because he was in the Republican thing I was in and it was wonderful. The students all nodded; all the guys that were trying to get "A"'s from their professors. They didn't understand either but they were striving to impress their professors who were monitoring it. Anyway, that was a nice affair, so now I'm back here to dodge what questions I can at the end of the program on the CIA. I say that because in this job there are certain things we can talk about and there are certain things we can't. I'll try to be as frank as I can in the question and answer period that follows with three of your professors and then with the audience. But I would like to set out ground rules that you can try to get me not to comply with but I would try to comply with, and that is I want to talk about the myths and the realities, I want to talk about prospective and not spend all my time dwelling on retrospect.

It's essential that we have a strong foreign intelligence service; one that is well aware of and respectful of the rights of American citizens and yet one that is effective in terms of giving the policy makers the best unfiltered intelligence we can make. You know, some people think the intelligence business is new. Well, my short stay in China gave me a perspective, I guess, on history that you can only get from going to China. The civilization has been in effect for so long although it's changed -- the type of government there has changed quite -- you have a great concept of history when you're in China, and Vice President Rockefeller gave me a book called The Art of War by Sun Tsu written in 500 B.C. and the purpose of this is to show that the depth of history has long been a recognized need for intelligence. He says an army without secret agents is like a man without eyes and ears and the supreme art of war is to subdue the enemy without fighting and then the book goes on to describe methodology, double agents, agents and this kind of thing. And since our founding as a nation there has been understanding that we need intelligence and that we need secrets. George Washington a couple of hundred years ago in July 1777 talked of the necessity of procuring good intelligence is apparent and need not be further urged. But due to a handful of what proved to be excess in the past, the things that clearly were wrong but have since been corrected. A couple of things have happened. One, our overall mission; intelligence, the reality

of intelligence in 1976 and in the future has been obscured and, two, the CIA has now become a target of all kinds of allegations, irresponsible targeting. We heard it from Havana the other day when Fidel Castro made allegations against the CIA -- all of which were totally false, most of which had been looked into in infinite detail by Senate committees and rejected, and several of which have been looked into by existing oversight committees, seven of which I report to on the Hill. So what I would like to do here tonight is, if I could, make a few general comments about intelligence and the concept of it and then through principally questions and answers try to address myself to concerns that some of you have and indeed should have.

Intelligence today goes far beyond the traditional concept and the traditional impressions of espionage. We're in a highly complex world and the old kind of Mata Hari type of intelligence gathering and James Bond -- regrettably I hate to disillusion you, but he is not alive and well and operating in Langley, Virginia. The insights of diplomatic reporting are simply not sufficient to give our President and our top officials the information and the estimates that they need to make proper and informed decisions. Now we submit our intelligence and must do this free of policy constraints; we must be able to submit them when they get to the highest degree of sensitivity directly to the President when needed every day he is provided by me a daily briefing of the most highly sensitive material.

This is essential that the intelligence go into the President unfiltered by policy constraints. Now people think of intelligence as, I say, largely because of some of the excesses of reportorial excesses in terms of allegations against CIA. They think of it as, you know, making Castro's beard drop off or some nutty program of some shell that's going to explode, you know, this kind of thing. Let me give you just one example because in addition to political science, I understand that there are some interested people here in business economics, whatever you want to call it. Economic intelligence is an extremely important part of our overall work. It's an example of the kind of things CIA must be concerned with. Until recently, national security issues were overwhelmingly political and military in nature, and they still are. It's still an important part of our mission -- how many Soviet missiles, how far can they go, are they complying with the SALT agreements -- all these things are my responsibility under the law to provide this information to the policy makers but today while we continue to devote a lot of our resources to assessing the potential of China, Russia and Eastern European countries for making war, international economic problems, many of which have no direct relationship to the Communist countries, they are a tremendous concern to the U.S. To support such consumers those people that read intelligence reports such as the Council of Economic

Advisers and the Council of International Economic Policy, and the Economic Policy Board, CIA has more than 200 graduates autonomous in industry specialists participating in some of the analytical work on international economic development. Now that isn't a startling revelation but I'll bet you there is not a handful of people in the room knew this. We have well in excess of 1,000 Ph.D.'s and M.A.'s working on the analytical side of our house at CIA and I, as the Director, sit there and discuss with experts whether it's on nuclear proliferation, or whether it's agriculture or whatever. We have excellent specialists there providing reports for the policy makers. And economics is certainly no exception. Another area where we make a significant contribution, I've touched on it but it's the monitoring of Soviet activities in connection with the SALT agreement. What, for example, we must ask, are the Soviets really doing in terms of the things that they've agreed to. Nothing can be more important in my view than this kind of information. And it's our Agency, it's the intelligence community that must provide this for defense planning. Then there's the question of international terrorism, a subject of growing concern to nations throughout the world. Now a lot of the free world's assets in terms of reporting on international terrorists comes from CIA, and we are active in this area by providing foreign intelligence to an inter-agency task force of the government policy-makers and also by working very

closely with friendly intelligence liaison services abroad. There's a world traffic in narcotics and although CIA is not in the law enforcement business, we're making every effort to see that we not get back and pulled into that law enforcement business by demand from Congress that we do more and more in terms of helping the Drug Enforcement Agency. We must try in spite of the fact that we're not in law enforcement to identify the major source countries for narcotics and the major routes for transporting narcotics to this country. I mentioned agriculture. You might say well what's so strategically important about agriculture. But when there's a short fall in the Soviet agricultural economy, and that means that they didn't come in and buy massively in the free world grain market, it is important in terms of the stability of not only the Soviet Union but what this can do to the economies of other countries, what the Soviets will be able to do with their Eastern European Bloc partners and it is a major interest that we know something about the agricultural economy in the Soviet Union and other countries. And so I cite these things as what really is the life blood of our analytical and production work is. All this is nothing to say that if we don't have the traditional role such as analyzing political trends throughout the world and the impact of military weapons development in countries that could be potential adversaries. These things that we've been talking about are the things that you don't

read about very often; they're real; they're important to our national security. What you do read about, I'm not saying you shouldn't, but what you do read about is the controversy on covert action. The view is expressed in some quarters that there's absolutely no justification for the U.S. government to possess the capability of covert action abroad. The reality of a world in which the U.S. faces powerful determined adversaries made it necessary for this country to have at its disposal the option of protecting its vital interests at times and places where diplomatic negotiation is not feasible and military action unjustified. In both houses of Congress look into covert action in considerable detail in neither in a climate where there was a great deal of sentiment to rein-in the intelligence operations and covert action abroad not one of these committees agreed that these should be eliminated. Now what has happened, and I think it's proper, is that covert action is very sparingly used. It is not used unless it is properly staffed out by the highest level of policy makers, under the Operations Advisory Group, no covert action is undertaken until that Group meets, they make a recommendation to the President; the President makes a finding and subsequent to then the President has a right under the constitution to conduct this thing but it is then briefed to several committees in compliance with the law Hughes-Ryan Amendment to theCongress. And so it is properly supervised; it's sparingly used but somewhere between sending in the marines and doing nothing this country has a need for a capability, and that's what it has.

I mention it because it is the most controversial thing, a miniscule percentage of our total budget, less than 2% of the total budget of the CIA. And yet the thing that causes the most concern for reasons that I can certainly understand. While retaining this capability the foreign intelligence mechanism ensures that such an activity if needed by the President would be prudently conceived, properly approved and effectively supervised.

Lastly, I want to mention before we get into the Q&A situation, accountability. It's true that mistakes were made in the past under several different Presidents. If anybody's fair and looks carefully at the Senate (unintelligible) reads the hearings and looks at the newspaper reports, I think one will concede there was a handful, some serious, some not so serious, going back over many, many years -- they were wrong needed to be corrected, were corrected. These are behind us and I say that with confidence because of several things that have taken place. The President last February established by Executive Order the new guidelines for foreign intelligence activities. Today the CIA is fully and properly accountable to the Congress in addition to being subject to the effective mechanism of executive direction. Since becoming Director I have made some 40 formal appearances before seven committees of the Senate and House which have oversight responsibilities.

In addition to that we have today and tomorrow and from now on detailed oversight by committee staffs in the CIA building. Every penny of the CIA budget which is secret and should be secret is properly disclosed to the proper committees of the U.S. Congress. Nothing held back from the people who are elected to fulfill this responsibility and they are fulfilling it.

(new side of tape) people who think they see something wrong can take the claim directly to this Board without having to go through the Director of the Central Intelligence Agency or any of the people that work for me in either the legal end or the Inspector General. And so it's in the interests of the community as well as the Congress and the people to make certain that our activities are in compliance with the law and that they are properly approved. The question always asked me, "Well, how do you know? How are you sure of every detail?" And I can't stand here and certify total assurance. I've cited the mechanisms that I know are fully complied with. I have confidence in individuals; I know something about management; I know what it takes in terms of internal directives to be sure that individuals are fully informed of what they must do. And then you can say, well, but the human error. And who can deny that? How can one guarantee except through carefully following these procedures and following the law as best as one can. Last, but not least, we in intelligence

have an obligation to be as open as we legitimately can with the American people. Now, some people think that means lay out everything. We're not going to do that. I suggest, for example, that as an opener if you want to just get an idea as to just one way of comparison between the way CIA tries to keep people informed to the degree it can, invite the head of the KGB then, find out who the head of it is in the United States and maybe Russia. Ask him over. See if he would come. I haven't heard of his speaking anywhere. And I don't think we're about to see Mr. Andropov or anybody else in the KGB out there in the open talking even to the limited degree we can about KGB activities. And if you think I'm throwing up a bogey myth, you're wrong. The KGB is tremendously active in the United States, and don't ever forget it. So I'm saying that we want to separate the myth from reality, to point out that James Bond is indeed fictional, and that the scholarly officers that we have pouring over vast amount of information constitute the reality. When I say James Bond is fictional, that doesn't mean we don't have spies, that doesn't mean we don't have clandestine activities, and frankly, if you have confidence in any policy maker, Secretary of Treasury, Secretary of Defense, whoever it is, this Administration or the next, ask them whether human intelligence is a source of help to them in policy formulation, and I

think you'll find the answer is a resounding yes. Intelligence is a challenging job; it's a challenging profession, and certainly, we need the support of the American people to do it. I recognize that we've been in the political arena but to get that support we have to be as open as we can. To merit that support we have to live within the Constitutional constraints that are properly placed upon us by the law. I can certify to you that we are endeavoring to do exactly this. I can certify to you that I'm concerned about a diminished capability in some ways but I can also say I think we have a foreign intelligence system that is indeed second to none. Now I'll be glad to try to respond to your questions as best I can. Thank you very much.